

JAN 19 2011

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS & MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

SAUNDRIA WHITMER, ROBBIN
MURDOCK, RONALD MURDOCK, JOYCE
MURDOCK, MAC. E MURDOCK, STUART
MURDOCK, AND BENNY MURDOCK

Petitioners,

v.

MOUNTAIN OIL AND GAS, INC. AND
HOMELAND GAS AND OIL, LTD.

Respondents,

KARNEL MURDOCK , SHIRLY REED, and
JUNE MURDOCK

Intervenors

**ORDER CONCERNING STATUS OF
MATTERS CONTINUED WITHOUT DATE**

Docket No. 2010-001
Docket No. 2010-002
Docket No. 2010-003
Docket No. 2010-004
Docket No. 2010-005
Docket No. 2010-006
Docket No. 2010-007
Docket No. 2010-014
Docket No. 2010-018

Cause No. 131-127

This consolidated matter consists of nine petitions filed pursuant to Utah Code § 40-6-9 (2010) by individuals all claiming that they are entitled to payment from the sale of oil from one well. At the January 27, 2010 Board hearing, seven petitions (Docket Nos. 2010-001 to 007) were consolidated and referred to the Division for investigation and negotiation of the claims against Respondents, Mountain Oil and Gas, Inc. and Homeland Gas and Oil, Ltd. Subsequently the Board allowed two additional petitions (Docket Nos. 2010-014 and 2010-018) to be joined in this action.

As noted by the Division, although entitlement to payment requires pooling, the lands at issue have been spaced and so the operator must take action to preserve the revenue from production for royalty or mineral owners. This obligation is imposed by Utah Code Ann. §40-6-9(3)(b). By correspondence dated March 23, 2010, Respondents Mountain Oil and Gas, Inc. and Homeland Gas and Oil, Ltd. committed to depositing into the required interest-bearing escrow account the royalty amounts due on any leased lands within the drilling unit and the full revenue for any unleased interests within the drilling unit (with the exception of proceeds owing to parties with whom Respondents have already settled).

The claims of Petitioners, Stuart Murdock and Ronald Murdock were settled by agreement with the Respondents, and as stated by the Board at its March 24, 2010 hearing, their Requests for Agency Action are dismissed with prejudice. Also at the March 24, 2010 Board hearing, and pursuant to the recommendation of the Division, the Board continued the claims of the remaining petitioners in the above-captioned matters without date. The continuance was granted to permit time for pending challenges to the existing Communitization Agreement and related Tribal and allottee leases before the Bureau of Land Management and Bureau of Indian Affairs to be resolved. The Board expects that once this occurs, the Petitioners will appear before the Board to prosecute their claims, or will take some other action to resolve these matters.

In order to ensure that some action is taken on the above-captioned matters, the Board directs Petitioners to appear before the Board at its regularly-scheduled August 24, 2011 hearing to update the Board on the status of the Communitization Agreement and leases at issue and to inform the Board of Petitioner's intentions with respect to the above-captioned claims. If some other action is taken before that date, the requirement to appear at the August 24, 2011 hearing may be removed.

ISSUED this 13th day of January, 2011.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING



By _____
Douglas E. Johnson, Chairman

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing ORDER CONCERNING STATUS OF MATTERS CONTINUED WITHOUT DATE for Docket Nos. 2010-001, 2010-002, 2010-003, 2010-004, 2010-005, 2010-006, 2010-007, 2010-014, 2010-018, Cause No. 131-127 to be mailed with postage prepaid, this 20th day of January, 2011, to the following:

Saundria Whitmer, Petitioner
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Myton, UT 84052

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Roosevelt, UT 84066

Robbin Murdock, Petitioner
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Ft. Duchesne, UT 84026

June Murdock, Petitioner
PO Box 767
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[Via Email]

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Mountain Oil and Gas, Inc.
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Karnel Murdock, Petitioner
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Homeland Gas and Oil, Ltd.
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